



AUSTRALIAN BUREAU OF STATISTICS
CANBERRA

NEW ISSUE

Reference No. 47.20- 6575.0

NOON 8 JULY 1977

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15 AUG 1979

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HOUSEHOLD EXPENDITURE SURVEY, 1975-76

PRELIMINARY

MAIN FEATURES

- Average weekly household expenditure in Australia in 1975-76 was \$172.55. The larger items were transport and communication (\$33.68), food (\$33.66) and current housing costs (\$23.60).
- On a regional basis, average weekly household expenditure and income in 1975-76 were respectively : for capital cities \$184.01 and \$239.14, for urban regions \$155.50 and \$201.22, and for rural regions \$135.48 and \$194.72.
- Between 1974-75 and 1975-76, average weekly household expenditure in capital cities increased by 17.2%, from \$157.01 to \$184.01. Average weekly household income increased by 16.1%, from \$205.94 to \$239.14.
- The larger items in the 1975-76 capital cities expenditure figure of \$184.01 were food (19.1%), transport and communication (18.9%) and current housing costs (14.6%). The corresponding percentages in 1974-75 were 20.6%, 16.7% and 14.5% respectively.
- Attention is drawn to paragraphs 3 and 18 regarding comparisons between the 1974-75 and 1975-76 surveys.

INTRODUCTION

This bulletin contains the first results from the 1975-76 Household Expenditure Survey which was conducted throughout Australia during the period July 1975 to June 1976. The estimates shown are preliminary and subject to revision. Further results will be published progressively in a series of four bulletins.

2. The first major household expenditure survey undertaken by the Australian Bureau of Statistics was conducted in respect of the year 1974-75 and was confined to capital cities. The 1975-76 survey is similar in content but was extended to cover the whole of Australia (except remote and sparsely settled areas).

3. Care should be taken in comparing results of the 1974-75 and 1975-76 surveys because of the difference in geographical coverage and because of the difference in sample sizes. The number of households in the 1974-75 sample for the capital cities was 9,095, in 1975-76 the number of households in the sample for Australia was much lower at 5,869, of which 2,813 were in the capital cities. See also paragraph 18.

SCOPE AND COVERAGE

4. Statistics shown in this bulletin are based on a sample of private dwellings in Australia. Private dwellings included houses, home units, flats, caravans, and any other structures being used as private places of residence. Hotels, boarding houses, institutions, etc., were defined as special dwellings outside the scope of the survey.

5. Information was collected on a household basis (see paragraph 10), rather than for selected individuals in the population, because many items of expenditure such as food, accommodation and household goods and appliances relate to the household as a unit. The following categories of households (or persons) were excluded from the survey :

- (a) foreign diplomats and their staff;
- (b) foreign servicemen and their families stationed in Australia;
- (c) persons from overseas countries touring or holidaying in Australia;

- (d) visitors staying with the household for less than six weeks after the initial interview;
- (e) usual residents absent at the time of the initial interview and not returning within 7 days; and
- (f) usual residents who were going away during the first half of the diary keeping period and not returning before the end of diary keeping.

Children under 15 years of age who were away at boarding school or away for less than six weeks were included as members of a household.

6. Of the 8,000 households selected for the survey 5,869 supplied the complete range of data. The difference is accounted for by households which could not be contacted; were unable to fully participate; or were otherwise non-respondent.

DATA COLLECTION METHOD

7. Personal interviews by trained interviewers were used to collect information on expenditure items which occur infrequently (e.g. purchase of vehicles and property, and the payment of household bills such as electricity and gas) and to collect details of income. In addition, all household members aged 15 years and over were asked to record all payments made during a specified period in a diary provided to each of them. The diary keeping period was two weeks except in rural areas where a four week period was used. Consequently, each household was involved in the survey for either two or four weeks, although the sample of households was spread evenly over the 12 month survey period.

DEFINITIONS

8. *Expenditure* was defined as all payments for goods and services for private use, made by all members of the selected household aged 15 years and over. In general, expenditure was collected on the basis of payments made during the reference period rather than on the basis of goods and services 'acquired' or 'consumed' during the period. Expenditure was net of refunds or expected refunds (e.g. payments for health services were net of any refunds received or expected to be received). As indicated in paragraph 7, information about most types of expenditure was obtained on a current basis from the diary, although some infrequent items of expenditure were collected on a 'recall' or last payment basis. The length of the recall period ranged from two years for house purchase to three months for health expenses.

9. *Income* was defined as gross income from all sources before taxation and other deductions were made, and was collected from all members of the selected household aged 15 years and over. Again,

although information about most types of income was obtained on a current basis, some data, principally incomes from investment and from self employment, were obtained in respect of the previous 12 months or financial year.

10. A *household* was defined as a group of people who live together as a single unit in the sense that they have common housekeeping arrangements; that is, they have some common provision for food and other essentials of living. A person, or persons, living in the same dwelling but having separate catering arrangements constituted a separate household.

11. The *head of a household* was taken to be that person nominated by the member(s) of the household as the 'head'. This person was usually the male 'breadwinner'.

INTERPRETATION OF RESULTS

12. Since the estimates are based on a sample they are subject to sampling variability. That is, the estimates may differ from the figures that would have been obtained if the defined population had been fully enumerated using the same questions and procedures. A common measure of the likely difference between sample estimates and the figures that would have been obtained from a complete enumeration of the population is given by the standard error. Although the standard errors for the particular estimates in this bulletin generally are not high enough to detract seriously from their value, it must be remembered that the smaller the relative sample on which the estimate is based the higher the relative standard error. The standard errors on the estimates contained in this bulletin are not yet available, although they will be shown with later results. In general, standard errors will be higher than for the 1974-75 survey, because of the smaller sample size. This is likely to affect particularly the estimates for the smaller capital cities shown in Table 3, and any comparisons of these estimates with corresponding results for 1974-75.

13. In addition to sampling errors, the estimates are subject to the following types of non sampling errors

- (a) errors in reporting (e.g. because some answers were based on memory, or because of misunderstanding or unwillingness of the respondent to reveal all details);
- (b) biases caused by differences which may have existed in the characteristics and patterns of expenditure and income between respondent and non-respondent households within the scope of the survey; and
- (c) errors arising during processing (e.g. coding, data recording).

Considerable effort was made to minimise these types of errors by careful questionnaire design, intensive training and supervision of interviewers, asking respondents to refer to records wherever possible, extensive editing and quality control checking at all stages of data processing, and by adjusting for non-response.

14. Because of the extended collection period of the survey, changes in money values and changes in the relative prices of goods and services have some implications for the interpretation of the results. The time reference periods of data items differed, first, because households were approached at different points of time during the 12 months duration of the survey and, second, because data items were obtained in respect of varying time reference periods (e.g. medical expenses in respect of the previous 3 months, purchase of motor vehicles in the previous 12 months). These factors may have caused some data distortion and complicate the interpretation of results for certain purposes. For example, two households with similar characteristics, one selected towards the beginning of the survey period and the other towards the end, may have been classified into different income groups solely because of changes in wage levels between the two collection dates.

15. As in the 1974-75 survey, it seems that expenditure on certain items, particularly alcohol and tobacco, is understated. This is in line with experience in other countries which have carried out similar surveys.

16. In comparing average weekly household income and expenditure, it should be noted that some outlays (in particular income tax) are included in 'other payments'. The remaining difference between income and expenditure still does not necessarily represent saving or dissaving. For example, some households will have financed the purchase of items in both 'expenditure' and 'other payments' from savings and from sources other than those included in income, such as borrowings, gifts and realisation of assets.

17. In comparing income and expenditure patterns between cities and regions and across income ranges, it should be noted that a number of factors can contribute to any differences. These include : average number of persons per household, average number of persons working, average number of retired persons, age distribution, and distribution of employees between occupations and industries.

COMPARISON WITH 1974-75 HOUSEHOLD EXPENDITURE SURVEY

18. Although the 1975-76 and 1974-75 surveys were almost identical in content and methodology, care should be exercised when making comparisons between the two surveys. Because of the extension of coverage from capital cities to the whole of Australia the estimates are only directly comparable at the capital city level. Sample errors can be significant in making intersurvey comparisons, as the standard error on the difference between the 1974-75 and 1975-76 capital city estimates will be greater than the standard error on the estimates for either survey. Particular care should be taken in interpreting differences between the estimates of the population covered by the two surveys. The two surveys cover a period of rapid price change which may have implications for interpreting changes in patterns of expenditure and income. In comparing 'medical care and health expenses' between the two surveys account should be taken of the effect on net cost to households of the introduction of Medibank and associated changes in health services.

RELATED PUBLICATIONS

19. Other ABS publications which may be of interest to users include :

Household Expenditure Survey, 1974-75 - Preliminary Results (Reference No. 17.20)

Income Distribution, 1973-74 : Part 2 (Reference No. 17.8)

General Social Survey Bulletin No. 1 - Preliminary Estimates of Families (Reference No. 13.17)

Australian National Accounts - National Income and Expenditure, 1974-75 (Reference No. 7.1)

Consumer Price Index (Reference No. 9.1)

Social Indicators No. 1, 1976 (Reference No. 13.16)

All publications produced by the ABS are listed in *Publications of the Australian Bureau of Statistics* (Reference No. 1.8) which is available free of charge from any ABS office.

R. J. CAMERON
Australian Statistician

TABLE 1. HOUSEHOLD EXPENDITURE SURVEY, 1975-76
HOUSEHOLD EXPENDITURE BY HOUSEHOLD INCOME, AUSTRALIA

	Weekly Household Income						All households
	Under \$80	\$80 and under \$140	\$140 and under \$200	\$200 and under \$260	\$260 and under \$340	\$340 or more	
Number of households in sample (a)	927	818	1,148	942	966	1,068	5,869
Estimated total number of households in population ('000)	652.9	600.2	812.7	674.0	687.3	737.1	4,164.0
Average number of persons per household	1.76	2.65	3.23	3.39	3.48	3.82	3.09
Average age of household head (years)	61.73	49.70	41.45	40.91	40.32	42.92	45.80
Average weekly household income (\$)	50.78	111.35	169.47	229.28	295.05	464.84	225.69
Commodity or Service	Average Weekly Household Expenditure (\$)						
Current housing costs (b)	9.61	19.48	22.11	25.23	29.33	34.03	23.60
Fuel and power	2.79	3.29	4.24	4.24	4.28	4.91	4.00
Food	17.95	25.46	31.66	35.69	39.63	48.86	33.66
Bread, cakes and cereals	2.45	3.26	3.99	4.03	4.19	4.81	3.83
Meat and fish	4.71	6.53	7.69	8.55	9.00	11.36	8.07
Dairy products, oils and fats	3.25	4.41	5.31	5.44	5.64	6.32	5.12
Fruit and vegetables	2.93	3.99	4.51	5.29	5.42	6.53	4.82
Other food (c)	4.59	7.25	10.14	12.37	15.36	19.84	11.81
Alcohol and tobacco	3.20	6.97	9.29	10.59	13.39	17.08	10.28
Clothing and footwear	5.40	8.65	11.62	15.30	18.40	25.01	14.32
Household equipment and operation	7.82	8.85	12.68	18.31	25.78	28.46	17.26
Medical care and health expenses (d)	2.26	4.22	5.11	6.15	5.81	7.80	5.30
Transport and communication	9.46	20.74	29.07	34.42	45.09	59.12	33.68
Recreation and education	4.93	8.18	11.01	18.33	18.97	32.17	15.93
Miscellaneous goods and services	5.97	8.66	10.46	14.86	17.52	27.80	14.47
Total expenditure	69.43	114.55	147.28	183.17	218.24	285.28	172.55
Selected other payments (e)	5.37	22.03	33.43	43.29	68.89	112.68	49.00

TABLE 2. HOUSEHOLD EXPENDITURE BY STATES AND THE A.C.T.

	N.S.W.	Vic.	Qld	S.A.	W.A.	Tas.	A.C.T. (f)	Australia (g)
Number of households in sample (a)	1,583	1,327	846	550	506	422	311	5,869
Estimated total number of households in population ('000)	1,469.3	1,163.0	607.2	374.6	364.3	121.8	53.6	4,175.9
Average number of persons per household	3.11	3.10	3.09	2.86	3.12	3.24	3.34	3.09
Average age of household head (years)	46.21	45.95	46.61	45.82	43.80	45.68	38.01	45.80
Average weekly household income (\$)	220.83	232.10	220.39	217.27	226.85	210.11	315.00	225.69
Commodity or Service	Average Weekly Household Expenditure (\$)							
Current housing costs (b)	25.01	24.17	20.91	19.80	25.12	18.33	34.23	23.60
Fuel and power	3.87	4.74	3.39	3.43	3.57	4.41	5.63	4.00
Food	34.04	35.07	31.58	31.93	32.23	31.35	38.29	33.66
Bread, cakes and cereals	4.04	3.91	3.54	3.62	3.44	3.77	3.89	3.83
Meat and fish	7.92	8.64	8.07	7.19	7.43	7.88	8.89	8.07
Dairy products, oils and fats	5.17	5.27	5.04	4.52	5.09	5.02	5.51	5.12
Fruit and vegetables	4.93	4.91	4.81	4.22	4.67	4.18	5.64	4.82
Other food (c)	11.96	12.33	10.10	12.36	11.59	10.49	14.35	11.81
Alcohol and tobacco	10.72	10.74	8.57	9.16	10.47	9.03	11.57	10.28
Clothing and footwear	14.14	16.56	11.16	14.23	12.91	15.01	17.86	14.32
Household equipment and operation	16.66	17.91	16.00	17.24	17.65	18.88	27.08	17.26
Medical care and health expenses (d)	5.37	5.54	5.11	5.36	4.74	4.45	5.40	5.30
Transport and communication	33.93	34.14	30.94	32.41	33.52	35.46	43.96	33.68
Recreation and education	14.48	17.02	14.46	17.26	16.69	13.99	25.32	15.93
Miscellaneous goods and services	14.47	14.56	15.39	14.03	12.22	13.53	18.77	14.47
Total expenditure	172.72	180.49	157.54	164.87	169.14	164.47	228.14	172.55
Selected other payments (e)	52.64	46.47	44.38	41.81	51.29	41.38	105.40	49.00

TABLE 3. HOUSEHOLD EXPENDITURE SURVEY, 1975-76
HOUSEHOLD EXPENDITURE BY CAPITAL CITIES AND REGIONS

	Sydney	Melbourne	Brisbane	Adelaide	Perth	Hobart	Canberra (f)	All Capital Cities (h)	Urban Regions (j)	Rural Regions (k)	Australia (g)
Number of households in sample (a)	570	653	300	269	294	145	311	2,813	2,225	831	5,869
Estimated total number of households in population ('000)	889.8	837.4	302.3	277.8	272.1	51.3	53.6	2,692.3	1,112.1	359.7	4,164.0
Average number of persons per household	3.09	3.08	3.10	2.82	3.10	3.12	3.34	3.07	3.05	3.35	3.09
Average age of household head (years)	45.60	45.92	45.99	44.83	43.19	45.40	38.01	45.26	46.67	47.41	45.80
Average weekly household income (\$)	241.47	241.97	231.23	225.05	229.32	239.47	315.00	239.14	201.22	194.72	225.69
Commodity or Service	Average Weekly Household Expenditure (\$)										
Current housing costs (b)	29.89	26.41	23.62	23.07	25.97	21.43	34.23	26.90	19.94	10.42	23.60
Fuel and power	3.84	4.89	3.26	3.45	3.67	4.83	5.63	4.09	3.96	3.59	4.00
Food	35.71	36.63	32.79	33.09	33.09	31.63	38.29	35.15	31.02	30.23	33.66
Bread, cakes and cereals	4.10	3.99	3.53	3.66	3.56	3.61	3.89	3.89	3.73	3.72	3.83
Meat and fish	8.23	9.09	8.20	7.50	7.43	8.29	8.89	8.36	7.51	7.42	8.07
Dairy products, oils and fats	5.23	5.38	4.98	4.46	5.18	4.83	5.51	5.17	4.77	5.79	5.12
Fruit and vegetables	5.21	5.25	4.89	4.23	4.77	4.15	5.64	5.04	4.31	4.70	4.82
Other food (c)	12.92	12.90	11.17	13.23	12.14	10.73	14.35	12.68	11.69	8.59	11.81
Alcohol and tobacco	11.37	11.73	7.96	9.81	10.13	10.16	11.57	10.83	9.93	6.77	10.28
Clothing and footwear	15.23	17.97	12.74	15.34	13.54	18.12	17.86	15.74	12.30	10.24	14.32
Household equipment and operation	17.77	18.81	18.99	18.23	18.82	20.81	27.08	18.61	14.87	14.31	17.26
Medical care and health expenses (d)	5.49	5.59	5.11	5.51	4.64	4.84	5.40	5.38	5.07	5.37	5.30
Transport and communication	35.36	35.35	32.08	33.96	32.72	34.41	43.96	34.77	31.63	30.69	33.68
Recreation and education	15.77	17.11	15.25	19.70	16.40	18.05	25.32	16.85	14.27	12.54	15.93
Miscellaneous goods and services	16.37	15.12	17.85	14.99	12.09	16.53	18.77	15.66	12.55	11.30	14.47
Total expenditure	186.84	189.66	169.69	177.18	171.09	160.84	228.14	184.01	155.50	135.48	172.55
Selected other payments (e)	62.89	48.24	47.33	42.33	51.05	51.46	105.40	53.70	41.95	33.90	49.00

(a) Households providing the full range of information sought. Data provided by sample households were expanded to produce estimates relating to all households represented by the survey. (b) Included in current housing costs are both principal and interest components of any housing loan repayments. Excluded are outright purchase of, or deposit on, dwellings or land, and other payments of a capital nature, which are included in "Selected other payments". (c) Meals eaten out in restaurants, hotels, clubs, etc., and "take-away" foods are included in this item. (d) Estimates of expenditure on health services are net of any refund received or expected to be received. (e) The main components of this item are income tax, superannuation contributions, life insurance premiums, purchases of and deposits on dwellings and land, and gambling payments. Receipts from sales of dwellings and land, and gambling winnings, are offset against payments. (f) For purposes of this survey the Canberra Statistical District (excluding Queanbeyan) represents the A.C.T. (g) Includes Northern Territory. (h) The six State capital city Statistical Divisions, the Darwin Statistical District and the Canberra Statistical District (excluding Queanbeyan) as defined for purposes of the 1971 Census of Population and Housing. (j) All towns and urban centres with a population of more than 500 persons (excluding the capital cities) as defined for purposes of the 1971 Census of Population and Housing. (k) Localities with a population of less than 500 persons and rural areas (remote areas with less than 0.15 dwellings per square mile were excluded from the survey).

Note 1 - Where differences occur in tables between totals and the sums of components, these are due to rounding and to differences in the methods of deriving estimates at the different levels of expenditure.

2 - Australian and regional estimates include Northern Territory households. However, estimates are not shown separately for the Northern Territory or Darwin in this bulletin.